

MEMORANDUM OF LAW

DATE: August 3, 1987

TO: Kathie Mathers, Program Supervisor,  
Treasurer's Office  
FROM: City Attorney  
SUBJECT: Claim of Exemption from Transient Occupancy  
Taxes - Federal Credit Unions

You asked our advice regarding a requested claim of exemption by federal credit unions from the transient occupancy taxes imposed by San Diego Municipal Code Section 35.0101, et seq. Federal credit unions are chartered pursuant to federal law and are immune from most state and local taxes except those on personal and real property. 12 U.S. Code section 1768. This requested exemption was instigated by Gerland W. Luck, Associate Counsel of the California Credit Union League, who later furnished a letter dated July 15, 1987 with attachments in support of the contention that the exemption also applies to the transient occupancy tax.

A copy of that letter is forwarded together with a copy of an unpublished order in the case of United States v. California State Board of Equalization, No. CV 81-1588-R, (C.D. Cal., Aug. 21, 1981). On the basis of that order and the opinion of this office previously published in a memorandum of law dated September 27, 1984 regarding exemption of AMTRAK from the transient occupancy tax, we conclude that federally chartered credit unions are also instrumentalities of the United States and are exempt from payment of the transient occupancy tax. This conclusion applies only when the hotel rooms are paid for directly by the federal credit unions.

Please contact the undersigned should you have any further questions.

JOHN W. WITT, City Attorney

By

Rudolf Hradecky

Deputy City Attorney

RH:mrh:160.1(x043.2)

Enclosure

cc Conny Jamison

Jack Sturak

ML-87-82